

CLEARCREEK TOWNSHIP
WARREN COUNTY, OHIO

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

CLEARCREEK TOWNSHIP
WARREN COUNTY

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Clearcreek Township
Warren County, Ohio
Management's Discussion and Analysis
Unaudited

This discussion and analysis of Clearcreek Township (the Township's) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2023, (within the limitations of the Township's cash basis of accounting).

The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2023 are as follows:

- The Township's total general receipts are primarily property taxes and other local taxes. General receipts represent \$19,579,283, or 91 percent, of the total cash received for governmental activities during the year.
- The Township had \$19,598,275 in disbursements, of which only \$1,892,579 of these disbursements were offset by program specific charges for services and sales, grants and contributions.
- Net position of governmental activities increased \$1,873,584, or approximately 9%.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement (GASB) No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained in the financial records of the Township to segregate money whose use is restricted to a particular or specified purpose. These statements present financial information by fund, presenting funds with the largest balances, or most activity, in separate columns.

The notes on the financial statements are an integral part of the government-wide and fund financial statements and provide an expanded explanation and detail regarding the information reported in the statements.

Clearcreek Township
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Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than what is required by generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets, and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2023, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property taxes.

The statement of net position and the statement of activities are comprised of governmental activities only.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all reported as governmental type funds.

Clearcreek Township
Warren County, Ohio
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Governmental Funds - The Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented in the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Police District Fund, Fire District Fund and Ambulance and EMS Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2023 and 2022 on the cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2023	2022	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	\$23,882,289	\$22,008,705	\$ 1,873,584
Net Position			
Restricted for:			
Roads and Bridges	\$ 1,544,811	\$ 1,427,371	\$ 117,440
Police Protection	3,830,357	4,513,825	(683,468)
Fire and EMS Services	13,246,187	10,692,845	2,553,342
Health	953,703	1,661,573	(707,870)
Street Lighting	85,301	96,642	(11,341)
Unrestricted	4,221,930	3,616,449	605,481
Total Net Position	\$23,882,289	\$22,008,705	\$ 1,873,584

As mentioned previously, net position of governmental activities increased \$1,873,584, or approximately 9% during 2023. The increase in net position was due to several factors including the Township having (and continuing to have) a structurally balanced budget where revenues continually outpace expenses and the Township recognizing significantly more investment income in 2023 as the Township's investment portfolio benefited from the general rise in interest rates.

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Management's Discussion and Analysis
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Table 2 reflects the changes in net position on a cash basis in 2023 and 2022.

(Table 2)
Change in Net Position

	Governmental Activities	
	2023	2022
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 1,039,067	\$ 994,199
Operating Grants and Contributions	783,262	1,644,876
Capital Grants and Contributions	70,247	26,500
Total Program Receipts	1,892,576	2,665,575
General Revenues:		
Property and Other Local Taxes	16,676,087	17,177,619
Grants and Entitlements not Restricted to Specific Programs	1,796,864	1,211,126
Earnings on Investments	1,106,332	341,702
Total General Receipts	19,579,283	18,730,447
Total Receipts	21,471,859	21,396,022
Disbursements:		
Current		
General Government	1,446,741	977,718
Public Safety	15,973,571	13,179,570
Public Works	1,706,199	1,996,306
Public Health	20,006	20,864
Conservation-Recreation	451,758	741,725
Total Disbursements	19,598,275	16,916,183
Change in Net Position	1,873,584	4,479,839
Net Position at Beginning of Year	22,008,705	17,528,866
Net Position at End of Year	\$23,882,289	\$22,008,705

Program receipts represent only 9% and 12% percent of total receipts during 2023 and 2022, respectively, and are primarily comprised of restricted intergovernmental receipts such as federal grants, state grants, zoning permits and inspection fees, fines and forfeitures and charges for emergency medical services provided by the fire department. Program receipts decreased in 2023 compared to 2022 as the Township did not receive any federal funds in 2023 related to the COVID-19 Pandemic but did in 2022.

General receipts represent 91% and 88% of the Township's total receipts during 2023 and 2022, respectively. Property, along with other local taxes comprised 85% and 92% of general receipts for 2023 and 2022, respectively. Grants and entitlements not restricted to specific programs make up 9% and 7% of

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total general receipts for 2023 and 2022, respectively, and include revenue from the State of Ohio (i.e., Local Government Funds, Homestead and Rollback allocation, etc.). The remaining general receipts are receipts from earnings on investments and made up 6% and 2% of general revenues for 2023 and 2022, respectively.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for other government activities. These include the costs associated with providing Township administration, accounting, and planning & zoning services.

Public safety represents the costs of police and fire protection and emergency medical services, which makes up 82% and 78% of the total disbursements for 2023 and 2022, respectively. Public Works includes the costs for the Road & Bridge Fund as well as the lighting districts and makes up 9% and 12% of the total disbursements for 2023 and 2022, respectively. Public health includes the cost to maintain the Township's Cemetery and money sent to the Warren County Health Department as the Township's share of the services provided by them. Conservation-Recreation includes the personnel and maintenance costs for all of the Township's parks.

Public safety expenses increased in 2023 as the Township provided higher levels of police and fire services along with the Fire District's construction of the new Fire Station 24 in the city of Springboro. Anticipated completion of Fire Station 24 is late 2024 to early 2025.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for the protection and safety of the residents, both police and fire, which account for \$15,973,571 and \$13,179,570, or 82% and 78% of all governmental disbursements for 2023 and 2022, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid with money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

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Management's Discussion and Analysis
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A comparison between the total cost of services and the net cost of services for 2023 and 2022 is presented in Table 3.

(Table 3)
 Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Current				
General Government	\$ 1,446,741	\$ 1,367,668	\$ 977,718	\$ 885,877
Public Safety	15,973,571	14,851,591	13,179,570	12,089,769
Public Works	1,706,199	1,014,676	1,996,306	1,361,560
Public Health	20,006	20,006	20,864	(828,323)
Conservation-Recreation	451,758	451,758	741,725	741,725
Total Disbursements	<u>\$19,598,275</u>	<u>\$17,705,699</u>	<u>\$16,916,183</u>	<u>\$14,250,608</u>

The dependence upon property tax and intergovernmental receipts is apparent as 91% and 88% of governmental activities are supported through these general receipts for 2023 and 2022, respectively.

The net cost of services for public health was negative in 2022 as the Township received COVID-19 related ARPA Funds, while only a small portion of these ARPA funds were spent in 2022.

The Township's Funds

Information about the Township's major funds is reported on the Statement of Assets and Fund Balances – Cash Basis and the Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis. Total governmental funds had receipts of \$21,471,859 in 2023, while total disbursements were \$19,598,275.

The fund balance of the General Fund increased \$605,481 from the prior year. The General fund has a structurally balanced budget with revenues outpacing expenses. This, combined with additional investment earnings collected in 2023, contributed to the increase in fund balance in 2023.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The General Fund's final budgeted disbursements were 2,379,736 while actual disbursements came in at \$2,138,459, which put the Township's disbursements under budget by 10%.

The General Fund's final budgeted receipts were \$2,482,813 while actual receipts came in at \$3,455,788, which resulted in a positive budget variance of 39%.

Overall, the Township ended the year with \$1,224,662 more in the General Fund than what was estimated in the final budget.

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Management's Discussion and Analysis
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Capital Assets and Debt Administration

Capital Assets - The Township maintains inventory records on the Township's capital equipment and performs routine updates. The Township does not report non-cash assets on the financial statements.

Debt - At December 31, 2023, the Township did not have any outstanding debt.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited funding. The Township's financial condition strengthened during 2023. The Township intends to maintain this positive financial condition by carefully monitoring the activity in all of the Township's funds and by taking actions necessary to keep our funds, and the Township as a whole, on stable financial ground.

The construction of Fire Station 24 is being paid for using money from the Fire and EMS funds along with a \$5,000,000 contribution by the City of Springboro. The City of Springboro provided the land for Station 24 (\$1.5 million) and modified the Cotermimus agreement to transfer the share of money that was annually sent to the City to the Fire Fund until the remainder of the \$3.5 million is recouped. No debt was issued for Station 24's construction. Additional planned growth in the township and Springboro was the primary reason the Station was constructed. Care will be needed to ensure that costs associated with that growth do not outpace property tax revenue.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Fiscal Office at 7593 Bunnell Hill Road, Springboro, Ohio 45066.

Clearcreek Township
Warren County, Ohio
Statement of Net Position - Cash Basis
12/31/2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 23,882,289
<i>Total Assets</i>	<i>\$ 23,882,289</i>
Net Position	
Restricted for:	
Roads and Bridges	\$ 1,544,811
Police Protection	3,830,357
Fire and EMS Services	13,246,187
Health	953,703
Street Lighting	85,301
Unrestricted	4,221,930
<i>Total Net Position</i>	<i>\$ 23,882,289</i>

See accompanying notes to the basic financial statements

Clearcreek Township
Warren County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Current:					
General Government	\$ 1,446,741	\$ 79,073	\$ -	\$ -	\$ (1,367,668)
Public Safety	15,973,571	959,994	91,739	70,247	(14,851,591)
Public Works	1,706,199	-	691,523	-	(1,014,676)
Public Health	20,006	-	-	-	(20,006)
Conservation-Recreation	451,758	-	-	-	(451,758)
<i>Total Governmental Activities</i>	<u>\$ 19,598,275</u>	<u>\$ 1,039,067</u>	<u>\$ 783,262</u>	<u>\$ 70,247</u>	<u>(17,705,699)</u>
General Receipts:					
Property and Other Taxes Levied for:					
General Purposes					1,563,166
Public Safety					13,868,516
Public Works					1,244,405
Grants and Entitlements not Restricted to Specific Programs					1,796,864
Earnings on Investments					<u>1,106,332</u>
Total General Receipts					<u>19,579,283</u>
<i>Change in Net Position</i>					1,873,584
<i>Net Position Beginning of Year</i>					<u>22,008,705</u>
<i>Net Position End of Year</i>					<u>\$ 23,882,289</u>

See accompanying notes to the basic financial statements

Clearcreek Township
Warren County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
12/31/2023

	General Fund	Police District Fund	Fire District Fund	Ambulance and EMS Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 4,221,930	\$ 3,767,482	\$ 10,289,760	\$ 2,902,562	\$ 2,700,555	\$ 23,882,289
<i>Total Assets</i>	<u>\$ 4,221,930</u>	<u>\$ 3,767,482</u>	<u>\$ 10,289,760</u>	<u>\$ 2,902,562</u>	<u>\$ 2,700,555</u>	<u>\$ 23,882,289</u>
Fund Balances						
Restricted						
Roads and Bridges	\$ -	\$ -	\$ -	\$ -	\$ 1,544,811	\$ 1,544,811
Police Protection	-	3,767,482	-	-	62,875	3,830,357
Fire and EMS Services	-	-	10,289,760	2,902,562	53,865	13,246,187
Health	-	-	-	-	953,703	953,703
Street Lighting	-	-	-	-	85,301	85,301
Total Restricted	<u>-</u>	<u>3,767,482</u>	<u>10,289,760</u>	<u>2,902,562</u>	<u>2,700,555</u>	<u>19,660,359</u>
Assigned						
Encumbrances	402,742	-	-	-	-	402,742
Total Assigned	<u>402,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,742</u>
Unassigned						
	<u>3,819,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,819,188</u>
<i>Total Fund Balances</i>	<u>\$ 4,221,930</u>	<u>\$ 3,767,482</u>	<u>\$ 10,289,760</u>	<u>\$ 2,902,562</u>	<u>\$ 2,700,555</u>	<u>\$ 23,882,289</u>

See accompanying notes to the basic financial statements

Clearcreek Township
 Warren County, Ohio
 Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2023

	General Fund	Police District Fund	Fire District Fund	Ambulance and EMS Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 1,563,166	\$ 2,586,107	\$ 11,282,409	\$ -	\$ 1,244,405	\$ 16,676,087
Charges for Services	-	-	-	920,818	-	920,818
Licenses, Permits and Fees	230,152	9,308	-	-	-	239,460
Fines and Forfeitures	12,915	19,020	-	-	-	31,935
Intergovernmental	556,535	326,522	715,106	-	576,071	2,174,234
Special Assessments	-	-	-	-	225,514	225,514
Earnings on Investments	1,074,582	-	-	-	31,750	1,106,332
Miscellaneous	18,438	38,122	11,885	-	29,034	97,479
<i>Total Receipts</i>	<u>3,455,788</u>	<u>2,979,079</u>	<u>12,009,400</u>	<u>920,818</u>	<u>2,106,774</u>	<u>21,471,859</u>
Disbursements						
Current:						
General Government	951,100	-	-	-	89,762	1,040,862
Public Safety	-	3,713,743	9,628,946	906,537	588,273	14,837,499
Public Works	227,848	-	-	-	1,997,295	2,225,143
Health	20,006	-	-	-	-	20,006
Conservation-Recreation	367,739	-	-	-	84,019	451,758
Capital Outlay	169,024	106,645	697,314	45,024	5,000	1,023,007
<i>Total Disbursements</i>	<u>1,735,717</u>	<u>3,820,388</u>	<u>10,326,260</u>	<u>951,561</u>	<u>2,764,349</u>	<u>19,598,275</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,720,071</u>	<u>(841,309)</u>	<u>1,683,140</u>	<u>(30,743)</u>	<u>(657,575)</u>	<u>1,873,584</u>
Other Financing Sources (Uses)						
Transfers In	-	185,152	780,863	111,253	37,322	1,114,590
Transfers Out	(1,114,590)	-	-	-	-	(1,114,590)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,114,590)</u>	<u>185,152</u>	<u>780,863</u>	<u>111,253</u>	<u>37,322</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	605,481	(656,157)	2,464,003	80,510	(620,253)	1,873,584
<i>Fund Balances Beginning of Year</i>	3,616,449	4,423,639	7,825,757	2,822,052	3,320,808	22,008,705
<i>Fund Balances End of Year</i>	<u>\$ 4,221,930</u>	<u>\$ 3,767,482</u>	<u>\$ 10,289,760</u>	<u>\$ 2,902,562</u>	<u>\$ 2,700,555</u>	<u>\$ 23,882,289</u>

See accompanying notes to the basic financial statements

Clearcreek Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

Clearcreek Township, Warren County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, police and fire protection, emergency medical services, and cemetery maintenance.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 5 to the financial statements provides additional information for this entity.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash and investment balances, of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain

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Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are all categorized as governmental funds.

Governmental Funds Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

General Fund: This fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Police District Fund: This fund accounts for proceeds from property taxes and other cash receipts restricted for police department operations and protection services.

Fire District Fund: This fund accounts for proceeds from property taxes and other cash receipts restricted for fire department and life squad protection and emergency services.

Ambulance and EMS Fund: This fund accounts for charges for services restricted for life squad protection and emergency services.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Clearcreek Township
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.”

Certificates of deposit and investments of the cash management pool are presented on the financial statements as cash equivalents

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2023, the Township invested in certificates of deposit, U.S. Government Securities, a U.S Government money market fund and STAR Ohio. The certificates of deposit and U.S. Government Securities are reported at cost. The U.S Government money market fund investment is recorded at the amount reported by Township’s financial custodian at December 31, 2023. The investment in STAR Ohio is reported at the net asset value (NAV) per share provided by STAR Ohio at December 31, 2023.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 were \$1,074,582.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

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Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Leases and Subscription-Based Information Technology Arrangements (SBITA's)

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Township is the lessor/lessee (as defined by GASB 87) in various leases related to buildings, vehicles, and other equipment under noncancelable leases. Lease receivables/deferred inflow of resources and intangible right to use asset/lease payable are not reflected under the Township's modified cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, scheduling, and various other software. Subscription assets/liabilities are not reflected under the Township's modified cash basis of accounting. Subscription disbursements are recognized when they are paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, receipts of \$28,722 are reflected as intergovernmental receipts in the OneOhio Special Revenue Fund in the accompanying financial statements.

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Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for maintaining roads and bridges, cemeteries, police, fire and EMS, and street lighting.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$824 of the Township's bank balance of \$5,543,162 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

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The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of the Township’s investments is not materially different than measurement value. As of December 31, 2023, the Township had the following investments:

Investment Type	Measurement Value
U.S. Government Securities	\$ 5,233,816
Star Ohio	12,426,376
U.S Government Money Market Fund	678,934
Total Investments	\$ 18,339,126

Interest Rate Risk – Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township addresses interest rate risk by requiring that the Township’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit Risk – The U.S. Government Securities carry ratings of Aaa by Moody’s and AA+ by S&P. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township’s investments are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Township’s name.

The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

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Concentration of Credit Risk – The Township places no limit on the amount it may invest in any one issuer. At December 31, 2023, the U.S. Government Securities comprised 29% of the Township’s total investments.

Note 4 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2023, was \$20.72 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 967,882,560
Public Utility Personal Property Assessed Valuation	<u>120,802,250</u>
Total	<u>\$ 1,088,684,810</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Clearcreek Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 5 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31, 2022 (the most recent data available).

Total assets \$32,288,098

Total liabilities \$9,146,434

Note 6 – Defined Benefit Pension Plan

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' ACFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local		Public Safety	Law Enforcement
	Traditional	Combined		
2023 Statutory Maximum Contribution Rates				
Employer	14.0%	14.0%	18.1%	18.1%
Employee (3)	10.0%	10.0%	(1)	(2)
2023 Actual Contribution Rates				
Employer:				
Pension (4)	14.0%	12.0%	18.1%	18.1%
Post-employment Health Care Benefits (4)	0.0%	2.0%	0.0%	0.0%
Total Employer	<u>14.0%</u>	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

- (1) This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- (2) This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- (3) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- (4) These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$437,101 for 2023.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – Township full-time firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Clearcreek Township
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Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OPF's ACFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2023 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
 Total Employer	 19.50%	 24.00%
 Employee	 12.25%	 12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The Township’s contractually required contribution to OPF was \$1,341,264 for 2023.

Note 7 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022,

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for the year 2023.

Clearcreek Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

Clearcreek Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township’s contractually required contribution to OPF was \$28,538 for 2023.

Note 8 – Interfund Activity

Transfers

During 2023, the following transfers were made:

Transfer from Fund	Transfer to Fund	Amount
General	Road and Bridge	\$ 37,322
	Police District	185,152
	Fire District	780,863
	Ambulance and EMS	111,253
		\$ 1,114,590

The above transfers were completed to move unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds, in accordance with budgetary authorizations.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal, state and local governments. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Clearcreek Fire District

The Clearcreek Fire District (the District) serves the people of Clearcreek Township and the City of Springboro (the City). It is primarily supported by a 11.10 mill property tax that is paid by those people who live within the District. The District also has an emergency medical services fund that generates income from billing for advanced life support emergency medical services.

The Township administers the District with the Fire Chief reporting to the Township Administrator and the Board of Trustees. As such, the financial activity of the District has been reported in the Township’s financial statements.

Clearcreek Township
Warren County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 11 – Coterminus Agreement with the City of Springboro

The Township and the City of Springboro (the City) have a Coterminus Agreement (the Agreement) that defines the boundary of the Township to include all portions of the City. The Agreement, which expires in December 2041, has several stipulations that benefit both governments:

- 100% of the annual inside millage collected by the Township inside the City will be used to build Fire Station 24, up to 5 million dollars. Amounts in excess of that will be returned to the Township at a rate of 50%. The Agreement also stipulates that no distinction be made between township and city residents in all recreational, library, or cultural activities sponsored, conducted, or permitted by the City or Township.
- The City will not form a separate fire district during the term of the Agreement.
- The City will not erect a new township out of the portion of Clearcreek Township located within the City limits and will not annex township property without Township Board approval.

A necessary effect of the Agreement means that all township elections for trustee and fiscal officer are held within both the Township and the City. This allows City residents (in addition to the township residents) the opportunity to vote for those offices. This is also a consideration in the Clearcreek Fire District as well since all Township and City residents will have representation for this vital public service. City residents pay for the Fire/EMS levy as part of their biannual property taxes, as do unincorporated Township residents.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Supplementary Information

Clearcreek Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,563,166	\$ 13,166
Licenses, Permits and Fees	240,000	240,000	230,152	(9,848)
Fines and Forfeitures	10,500	10,500	12,915	2,415
Intergovernmental	444,313	444,313	556,535	112,222
Interest	200,000	200,000	1,074,582	874,582
Other	38,000	38,000	18,438	(19,562)
<i>Total Receipts</i>	<u>2,482,813</u>	<u>2,482,813</u>	<u>3,455,788</u>	<u>972,975</u>
Disbursements				
Current				
General Government				
Administration				
Personal Services	429,442	440,981	409,300	31,681
Other	410,046	400,401	341,442	58,959
Zoning				
Personal Services	195,436	195,436	182,895	12,541
Other	165,600	165,600	53,911	111,689
Public Works				
Other	158,320	228,320	227,848	472
Health				
Other	21,900	20,006	20,006	-
Conservation and Recreation				
Personal Services	262,008	262,008	244,066	17,942
Other	681,227	243,196	235,203	7,993
Capital Outlay	423,788	423,788	423,788	-
<i>Total Disbursements</i>	<u>2,747,767</u>	<u>2,379,736</u>	<u>2,138,459</u>	<u>241,277</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(264,954)</u>	<u>103,077</u>	<u>1,317,329</u>	<u>1,214,252</u>
Other Financing Sources (Uses)				
Transfers Out	(600,000)	(1,125,000)	(1,114,590)	10,410
<i>Total Other Financing Sources (Uses)</i>	<u>(600,000)</u>	<u>(1,125,000)</u>	<u>(1,114,590)</u>	<u>10,410</u>
<i>Net Change in Fund Balance</i>	(864,954)	(1,021,923)	202,739	1,224,662
<i>Fund Balance at Beginning of Year</i>	3,443,533	3,443,533	3,443,533	-
<i>Prior Year Encumbrances</i>	172,916	172,916	172,916	-
<i>Fund Balance at End of Year</i>	<u>\$ 2,751,495</u>	<u>\$ 2,594,526</u>	<u>\$ 3,819,188</u>	<u>\$ 1,224,662</u>

Clearcreek Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police District Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 2,705,000	\$ 2,705,000	\$ 2,586,107	\$ (118,893)
Fines and Forfeitures	-	-	19,020	19,020
Licenses, Permits and Fees	3,000	3,000	9,308	6,308
Intergovernmental	125,000	125,000	326,522	201,522
Other	-	-	38,122	38,122
<i>Total Receipts</i>	<u>2,833,000</u>	<u>2,833,000</u>	<u>2,979,079</u>	<u>146,079</u>
Disbursements				
Current				
Public Safety				
Police Protection				
Personal Services	2,881,696	2,881,696	2,497,508	384,188
Other	1,704,707	1,704,707	1,310,545	394,162
Capital Outlay	254,500	254,500	253,498	1,002
<i>Total Disbursements</i>	<u>4,840,903</u>	<u>4,840,903</u>	<u>4,061,551</u>	<u>779,352</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,007,903)</u>	<u>(2,007,903)</u>	<u>(1,082,472)</u>	<u>925,431</u>
Other Financing Sources (Uses)				
Transfers In	-	-	185,152	185,152
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>185,152</u>	<u>185,152</u>
<i>Net Change in Fund Balance</i>	(2,007,903)	(2,007,903)	(897,320)	1,110,583
<i>Fund Balance at Beginning of Year</i>	4,038,470	4,038,470	4,038,470	-
<i>Prior Year Encumbrances</i>	<u>385,169</u>	<u>385,169</u>	<u>385,169</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,415,736</u>	<u>\$ 2,415,736</u>	<u>\$ 3,526,319</u>	<u>\$ 1,110,583</u>

Clearcreek Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 10,975,000	\$ 10,975,000	\$ 11,282,409	\$ 307,409
Intergovernmental	345,000	345,000	715,106	370,106
Other	35,000	35,000	11,885	(23,115)
<i>Total Receipts</i>	<u>11,355,000</u>	<u>11,355,000</u>	<u>12,009,400</u>	<u>654,400</u>
Disbursements				
Current				
Public Safety				
Fire and EMS Services				
Personal Services	9,349,730	9,343,230	8,799,488	543,742
Other	922,000	929,199	843,860	85,339
Other	23,966	6,023,966	6,023,966	-
Capital Outlay				
<i>Total Disbursements</i>	<u>10,295,696</u>	<u>16,296,395</u>	<u>15,667,314</u>	<u>629,081</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,059,304</u>	<u>(4,941,395)</u>	<u>(3,657,914)</u>	<u>1,283,481</u>
Other Financing Sources (Uses)				
Transfer In	-	-	780,863	780,863
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>780,863</u>	<u>780,863</u>
<i>Net Change in Fund Balance</i>	1,059,304	(4,941,395)	(2,877,051)	2,064,344
<i>Fund Balance at Beginning of Year</i>	7,801,092	7,801,092	7,801,092	-
<i>Prior Year Encumbrances</i>	24,665	24,665	24,665	-
<i>Fund Balance at End of Year</i>	<u>\$ 8,885,061</u>	<u>\$ 2,884,362</u>	<u>\$ 4,948,706</u>	<u>\$ 2,064,344</u>

Clearcreek Township
Warren County, Ohio
Schedule of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance and EMS Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Receipts				
Charges for Services	\$ 700,000	\$ 700,000	\$ 920,818	\$ 220,818
<i>Total Receipts</i>	<u>700,000</u>	<u>700,000</u>	<u>920,818</u>	<u>220,818</u>
Disbursements				
Current				
Public Safety				
Fire and EMS Services				
Other	1,075,264	1,079,718	976,245	103,473
Capital Outlay	45,023	879,692	879,692	-
<i>Total Disbursements</i>	<u>1,120,287</u>	<u>1,959,410</u>	<u>1,855,937</u>	<u>103,473</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(420,287)</u>	<u>(1,259,410)</u>	<u>(935,119)</u>	<u>324,291</u>
Other Financing Sources (Uses)				
Transfer In	-	-	111,253	111,253
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>111,253</u>	<u>111,253</u>
<i>Net Change in Fund Balance</i>	(420,287)	(1,259,410)	(823,866)	435,544
<i>Fund Balance at Beginning of Year</i>	2,522,610	2,522,610	2,522,610	-
<i>Prior Year Encumbrances</i>	<u>299,442</u>	<u>299,442</u>	<u>299,442</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,401,765</u>	<u>\$ 1,562,642</u>	<u>\$ 1,998,186</u>	<u>\$ 435,544</u>

Clearcreek Township
Warren County, Ohio
Notes to Supplementary Information
December 31, 2023

Note 1 – Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township’s authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, function, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township Trustees.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township Trustees during the year.

Note 2 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General, Police District, Fire District and Ambulance and EMS Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The following table summarizes the adjustments necessary to reconcile the cash basis statements to the budgetary basis schedules.

	<u>General</u>	<u>Police District</u>	<u>Fire District</u>	<u>Ambulance and EMS</u>
Change in Fund Balance - Cash Basis	\$ 605,481	\$ (656,157)	\$ 2,464,003	\$ 80,510
Encumbrances	<u>(402,742)</u>	<u>(241,163)</u>	<u>(5,341,054)</u>	<u>(904,376)</u>
Change in Fund Balance - Budgetary Basis	<u>\$ 202,739</u>	<u>\$ (897,320)</u>	<u>\$ (2,877,051)</u>	<u>\$ (823,866)</u>